

# STANDARD AGREEMENT

## FOR I.T. GOODS/SERVICES ONLY

AGREEMENT NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below

STATE AGENCY'S NAME

Department of General Services, Procurement Division

CONTRACTOR'S NAME

GE Capital Information Technology Solutions - North America, Inc.

2. The term of this

Agreement is: October 1, 2001 through September 30, 2003

3. The maximum amount  
of this Agreement is:

\$ 0

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement:

Attachment 1, Statement of Work

Page(s)

Attachment 2, General Provisions

Page(s)

Attachment 3, Information Technology General Terms and Conditions

(Number)

(Dated)

Attachment 4, Information Technology Special Purchase Provisions

Page(s)

Attachment 5, Information Technology Maintenance Special Provisions

Page(s)

Attachment 6, Information Technology Software License Special Provisions

Page(s)

Attachment 7, Information Technology Personal Services Special Provisions

Page(s)

Attachment 8, Pricing

Page(s)

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

### CONTRACTOR

CALIFORNIA  
Department of General Services  
Use Only

CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.)

GE Capital Information Technology Solutions - North America, Inc.

BY (Authorized Signature)

DATE SIGNED (Do not type)

5/10/01

PRINTED NAME AND TITLE OF PERSON SIGNING

Kenneth D. Luke - President

ADDRESS

One Riverfront Place - 5th Floor  
Newport, KY 41071

### STATE OF CALIFORNIA

AGENCY NAME

Department of General Services, Procurement Division

(Authorized Signature)

DATE SIGNED (Do not type)

10/01/01

PRINTED NAME AND TITLE OF PERSON SIGNING

Ralph Chandler, Deputy Director

ADDRESS

1823 14th Street, Sacramento, CA 95814

☐ Exempt per

PART ONE

AI. GENERAL

1. *The supplier must register the company name under which the "State Computer Store"; will be operated.* The supplier must register this name with all necessary government agencies to allow legal operation of the "State Computer Store". During the term of the contract, the suppliers must receive State approval before any use of the approved name. This includes, but is not limited to, the publication or distribution of any newsletter or similar material, and marketing, promotional, or advertising activities for the "State Computer Store". Furthermore, the supplier(s) awarded the contract and by signing the contract, agrees not to use the approved State Computer Store's name for a period of two years after the contract's final, term expires.
2. A Customer Service Center *area* adequate to meet the needs of this contract must be set aside for the exclusive use of the customers of this contract.
3. The Department of General Services charges the State and Local Government Agency users of this contract a 1.21% administrative fee. The DGS administrative fee is a specified percentage of invoiced sales order.

4. REQUIREMENT DELETED

**B1. CUSTOMER SERVICE CENTER**

The Supplier must establish, furnish and maintain an office area in Sacramento County, California. The Supplier must dedicate an area, and staff to answer calls, maintain the electronic *bulletin board/forum*, receive mail or fax purchase orders and/or other miscellaneous correspondence. This site will accommodate the State Computer Store's customers that may not wish to use the electronic catalog site for their ordering process or obtain information. The supplier assumes responsibility for all expenses associated with the Customer Service Center and will meet all applicable local, state, and federal requirements.

**CI. OPERATION**

1. All State Computer Stores proposed to support the requirements of this RFP must be open and supplier personnel must be available during the State's normal working hours, 8:00 a.m. and 5:00 p.m. (pacific time), Monday through Friday, excluding official State holidays. The supplier may determine the number of staffing to support the Customer Service Center, however, the staffing must be consistent to the volume of business being done under the State Computer Store with the assumption that there may be up to three (3) potential awardees and must be able to meet the requirements specified below.

In the event the State Computer Stores is performing work requested by a customer agency outside the normal business hours of 8:00 a.m. through 5:00 p.m. (pacific time), Monday through Friday or official State holidays, the supplier must notify, in writing, the State Contract's Administrator of service being performed. The supplier must notify the customer agency before the service is performed that an overtime fee may be applied. The rate is determined at time and a half.

2. Customer Service/Support Service and Technical Consultants
  - a. Contractor(s) shall be expected to provide responsive customer service representation to the State. Such representation shall be available on a maximum 24-hour call back or e-mail response bases to respond to requests for information, such as an order and/or configuration information, follow-ups on delivery schedules, questions regarding invoices, equipment installation or operation information, etc. In the event the State is not satisfied with the responsiveness of the representative, the Contractor shall provide the name of an authorized Contractor representative who will have the authority to immediately resolve any administrative and/or service problems that have not been resolved in a timely manner. This person(s) must be identified in the Contract.
  - b. Should Contractor customer service representatives or technical consultants not contact the ordering Agency within 24 hours of telephone call or e-mail for information, the Agency may contact the DGS Procurement Division Contract Administrator for the relating details of the **ccurrence**. After the contact, the Contract Administrator at **DGS** will make an attempt to contact the Contractor's General Manager.

- c. After the Contractor's General Manager ~~has~~ been notified and the Contractor has not yet contacted the ordering Agency within the 24 hours (now 48 hours since first attempt to contact), the Procurement Division Contract Administrator shall make an attempt to contact the Contractor's regional 'corporate office via telephone calls, e-mails, written notification or FAX to advise of the sales organization's non-responsiveness.
- d. A Contractor's regional corporate *office representative* shall thereupon cause the customer service representative or technical consultant to respond within 24 hours to the requesting Agency. In addition, the Contractor's General Manager shall, within 5 (five) working days of contact, advise the Procurement Division, in writing, of action taken to correct the non-responsive situation.
- e. If an ordering Agency request for information is preliminary to the placement of an order for a new system, and lack of response prohibits the ordering Agency from placing the order, the Agency shall so advise the Procurement Division. If, in such instances, the Contractor does not respond to the ordering Agency within 24 hours of contact by the Procurement Division Contract Administrator it will be considered a breach of contract and subject to Rights and Remedies of State for default, Section 26, of the General Provisions.
- f. If, in any three month period during the life of this Agreement, the Procurement Division Contract Administrator must contact the Contractor's regional corporate officer three or more times because of non-responsiveness as described above, the State may seek remedies under General Provisions, Section 26, Rights and Remedies of State for Default.
- g. Supplier must provide a dedicated toll free number to accommodate telephone inquiries.
- h. Telephone inquiries from customers must be answered by a *live customer* service representative, Monday-Friday, 8:00 – 5:00 p.m. (Pacific Time) except for State holidays. Voice mail does not meet this requirement; however, a telephone routing system, which allows the customer to access a live representative, is acceptable.
- i. *REQUIREMENT DELETED.*
- j. Customers are not 'to be placed on hold for longer than sixty seconds.
- k. To ensure compliance with' telephone support requirements, the supplier must provide a tracking mechanism for producing monthly phone reports which include, at a minimum, the number of calls received, time on hold and number of disconnects. Requirements for submitting these reports to the State Contract Administrator are specified below in Section **O1**.

- l. Supplier(s) must agree to work with the State Contract Administrator during the term of the contract to ensure that this tracking mechanism continually meets the needs of this contract.
  - m. Suppliers must provide an electronic bulletin board or electronic forum as part of their electronic catalog **website** for questions, concerns, testimonials and information. This electronic bulletin board/forum will serve as an additional form of communication to assist customers.
  - n. Supplier(s) must provide e-mail communication with the State Contract Administrator and e-mail communication with State and public sector entities that use this contract.
  - o. *REQUIREMENT DELETED*
  - p. If a customer has 3 or more complaints on their designated representative and was unable to resolve the problems, the supplier must be prepared to propose to the agency a new representative to handle their account.
- 3. Customer Service Representatives
  - a. Suppliers must provide free customer service representatives that are the front line personnel and support system that work directly with the State Computer Store's customer agencies. The Customer Service Representatives furnish complete, accurate, timely information, and the resolution of issues or problems by telephone or e-mail. The Customer Service Representative must provide the highest level of services and organizational support available with a dedication to serve the customer with the utmost professional conduct. This service shall be available during the State Computer Store's Customer Service Center's hours of operation.
- 4. Free Technical Consultation
  - a. Suppliers must provide free technical consultation services for determining proper configuration, in context of the customers environment, for stand-alone hardware and software to meet customers needs, understanding the customer's computing and networking needs, and be able to specify the best solutions to meet the customer's needs. The Technical Consultant should also be able to provide ordering information, part numbers, descriptions and pricing. This service shall be available during the State Computer Store's Customer Service hours of operation.
  - b. Technical **Consultants** will call and travel directly to customer locations at the supplier's expense offering the services and products under the contract. Supplier is responsible for travel expenses.

5. Quality

The State, as part of an ongoing quality management effort, will measure State Computer Store customer satisfaction during the term of the contract. Measurement will identify areas where service levels can be improved. Suppliers must agree to work with the State in resolving any issues resulting from measurement of State Computer Store customer satisfaction. Supplier and the State Contract Administrator will work together to continually monitor the success levels of the State Computer Stores.

6. State Computer Stores Opening

Until the State Computer Store Customer Service area and electronic catalog site are ready to conduct business and accepted by the State, the supplier is not allowed to do business under this contract. The State intends the State Computer Stores to be open and fully operational within 30 calendar days after award. It is in the State's best interest to have the State Computer electronic catalog and bulletin board/forum fully operational as soon as possible for review and acceptance by the State. Time is of the essence in opening the State Computer Stores and the supplier must expedite the opening of such. The supplier must keep the State Contract Administrator informed on a weekly basis of expected completion of the State Computer Store Customer Service area and electronic catalog and activities completed and pending completion which affect the opening. Delay beyond 45 days in the opening of the State Computer Store will be cause for the assessment of Liquidated Damages and, at the option of the State, termination of the award.

D1. STAFFING

1. The Contractor must provide highly skilled personnel and have an adequate number of personnel to **support** the State Computer Store.
  - a. Staff assigned at the Customer Service Center to meet the requirements of this RFP must make it a priority to service the needs of the State Computer Stores customers and provide excellent and expeditious customer service.
  - b. Contract terms will not permit substitution of personnel without prior notice to and approval of the Procurement Division. The State understands that personnel is subject to change, but substitutions of personnel must include replacements with equal or greater qualifications. The Procurement Division reserves the right to request replacement of current personnel at any time due to a poor level of service provided by the individual. Any personnel proposed for substitution after submission of Final Proposal must have comparable experience.
  - c. Contractor must have the **sufficient** staff to handle all of the contract requirements and tasks such as: reporting, marketing, updates to product and price catalog, quality management, electronic, hardcopy/CD catalogs, account management and backup to the General Manager.

- 1.1 Resumes supplied in response to this RFP identify specific individuals to satisfy specific RFP requirements. The State expects all personnel proposed by the supplier and identified in the resumes submitted with the Final Proposal to occupy the staff positions at the "Store" upon opening. Any personnel proposed for substitution of after submission of Final Proposal must have comparable experience. Staff may not be substituted without the prior approval of the State Contract Administrator.

If the State determines that the resumes and training certificates are inadequate to determine the qualifications for the engineers, the State may request that the bidder submit references for any engineer whose qualifications are in question. The State will be the final authority when determining whether a field engineer meets the required qualifications.

**Requirement Deleted**

**Requirement Deleted**

2. Supplier personnel must be available for all government business during 'the State's normal working hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding official State holidays. Any orders placed outside of these hours must be processed during the following business day.
3. Supplier(s) must have, at all times, sufficient staff and resources to provide a prompt and knowledgeable response to customer inquiries. Including staff that are able to provide ordering information, part numbers, descriptions, and pricing.
4. Suppliers, Distributors and/or Supplier's Subcontractors must have the ability to assemble, configure and test equipment being offered through the State Computer Store.
5. General Manager
  - a. Supplier must have, as the single point of contact with the State's Contract Administrator, a General Manager for the State Computer Store, with the responsibility and authority for all aspects of the contract and its facilitation.
  - b. The General Manager must have a minimum of three (3) years of experience in the computer industry within the last four (4) years prior to the Final Proposal due date. The proposed General Manager must demonstrate experience in building and maintaining successful relationships with suppliers and servicing large public sector and or corporate accounts.
  - c. The General Manager must meet in Sacramento with the State Contract Administrator at least once per month, or as the need arises, at no additional cost to the State.
  - d. The General Manager or, if unavailable, his or her designee must return calls and e-mails to the State Contract Administrator within 24 hours.
6. Technical Consultants
  - a. All technical consultants must have a minimum of 18 **months** of network and system configuration, product and service(s) experience (see Exhibit V-N, page 3) within the last 24 months, prior to the Final Proposal due date.
  - b. The combination of technical consultants shall be trained, and remain current, to provide demonstrations of all equipment and software sold through the State Computer Store.
  - c. The combination of technical consultants proposed must have experience with all the network operating systems proposed for this RFP.
  - d. In addition to Certified Network System Engineers, technical consultants must be available to respond to and resolve inquiries concerning network products.
  - e. Suppliers must provide free technical consultation services for determining proper configuration, in context of the customer's environment, for stand-alone hardware and software to meet customer's needs, understanding the customer's, computing and networking needs and to be able to specify the best solution to meet the customers needs. The Technical Consultant should also be able to provide ordering information, part numbers, descriptions and pricing.



7. Network System Engineers  
For the State Computer store contract, staff must include at least two Network System Engineers, each with a minimum of 18 months experience designing networks within the last 24 months prior to Final Proposal due date. The combination of Network System Engineers must be certified at the minimum level required by the manufacturers, for those manufacturers of Network Operating Systems which have certification programs.
8. REQUIREMENT DELETED (optional requirement)
9. REQUIREMENT DELETED (optional requirement)

El. PRODUCTS

1. Manufacturer product lines, to adequately meet the State's requirements, must be maintained for the term of the contract. The product line proposed for any single system unit manufacturer should be the complete product line on all products available from that manufacturer and be the type of product typically sold to corporate, governments and/or education customers.
2. Product Changes  
Suppliers may not make changes to the product lines (i.e. model numbers, adds, deletions, modifications) or pricing without prior State approval. Product changes (adds, deletions and modifications) must be delivered to the State in excel format and tab delimited. The State Contract Administrator may make, and the supplier(s) will comply with, changes to the form and format requirements during the term of the contract.
3. Suppliers or supplier's subcontractors for all products provided must be authorized by the manufacturer to sell and/or provide warranty service (as applicable) on their products, except where the manufacturer retains exclusive service rights on the equipment. Unless required by the manufacturer, products available through distribution will not require manufacturer authorization. Supplier's subcontractor shall maintain these agreements in good standing for the term of the contract.
4. Only new products may be sold through the State Computer Store. Products containing parts which have been remanufactured/reconditioned are acceptable but only if the goods have been warranted as new.
5. For the term of the contract, suppliers must provide and maintain system unit product lines for the WINDOWS environment, Novell environment, and, upon request of the State, the suppliers must agree to add new operating system product lines.
6. System units provided that are capable of acting as network file servers must be capable of running shrink wrap versions of the network operating systems from the manufacturers of network operating systems. The State may change or remove this limitation during the term of the contract.

7. During the term of the contract, the State may request manufacturers and products to be added or deleted from the approved product list. Suppliers must comply with any deletion requested by the State and use its best effort to comply with any request for additions.
8. All new products, excluding enhancements and/or upgrades, offered through this agreement must have been installed and in productive use by a paying customer external to the supplier's organization as specified in current state policy.
9. All products offered for addition to the approved product list during the term of the contract, must have been installed and in productive use by a paying customer external to the supplier's organization, for the period of time that is the current State policy at the time the product is being added
10. Suppliers must list all products being offered in Tables A-I through A-I 1 from Section VII, Cost.
11. Supplier's proposed product line from a manufacturer of system units must include that manufacturer's printers, peripheral equipment, network interface cards and accessories.
12. *REQUIREMENT DELETED. PLEASE REFER TO SECTION VI-9, El. 1.*

**F1. ELECTRONIC CATALOG AND ORDER TRACKING AND STATUS SYSTEM**

1. Electronic Catalog
  - a. Supplier must provide an on-line product, services and pricing catalog. A hard copy catalog may be required upon request.
  - b. The system must allow the users to view all the current products, services, pricing and contractor must make their best effort to provide full product descriptions that are *both* efficient and user friendly. In addition, be a prime source for gathering information regarding products and services offered under the contract.
  - c. The electronic catalog must be updated as manufacturer additions or changes are approved by the State Contract Administrator.
  - d. At a minimum, users must be able to search for manufacturer, manufacturer part number, category, keyword description (i.e. serial cable or internal modem) and by energy star indicators.
2. Order Tracking
  - a. Supplier must have a system capable of electronically tracking orders from State and other government entities.
  - b. All State Computer Store customers must have access to order status (by line item) including open orders, back orders (including estimated time of shipment), partial orders, waybill tracking and status of where the order is for configured orders. This information shall be accessible by the purchase order number and the supplier's order number.

- c. Supplier's system must be capable of electronically tracking prices, shipping, date shipped, order number and outstanding orders/back orders.
  - d. If a customer requests a custom catalog, the supplier must be capable of providing the above stated requirements, and in addition, must be capable of tracking total dollars spent and quantities purchased.
3. Supplier agrees to work with the State to provide a means for State and other government entities to electronically transmit standardized business documents such as quotation requests, purchase orders, management of contract software, invoices, order status inquiries with integrity intact from system to system to supplier's purchasing and tracking systems.
4. At a minimum, the electronic catalog and order tracking systems must communicate in or to the following platforms: Windows and Macintosh.
5. The system(s) must accommodate two hundred (200) simultaneous users, at a minimum. The supplier must expand the system, at no additional charge, to accommodate the addition of new users throughout the term of the contract.

The following indicates the potential number of users of the State Computer Store contract. The figures include both entities that will require access to the electronic system(s) and those that do not have the desire and/or ability to access the system(s).

State PC Coordinator's (170),  
State Business Service Officers (250),  
State Contract Managers (100)  
County purchasing personnel (58)  
City purchasing personnel (2000)  
Special districts (6000)

6. The information in the electronic system(s) must be updated with current information at least every 24 hours, no later than 6:00 a.m. Pacific Standard Time. Due to the volatile price fluctuations, products with price changes within the margin bid do not require DGS approval but may be monitored for consistency.
7. The electronic catalog must contain a customer satisfaction form that can be electronically mailed to the supplier and the State's Contract Administrator. Supplier must agree to work with the State Contract Administrator on the design of this form.

**G1. NETWORK/SINGLE USER SERVICES**

At a minimum, the supplier must provide the following services at no additional charge:

- Product comparisons.
- Product evaluation of hardware and software at customer facilities.
- Evaluation equipment and software.
- Single user system configuration.
- Workstation detailed design, configuration, and recommended product list.
- Pre-delivery testing of system configurations to ensure operational status.
- Delivery of purchased items.
- Honor all manufacturers' warranties and guarantees on products sold under the contract.
- Installation of operating software on hardware.

- Electronic access to product, pricing, and inventory information (customers of the contract will pay local communications and access (i.e. Internet) costs, if applicable).
- Network planning questionnaires upon request at no charge.
- Order status information.
- On-site customer account management visits.
- Hard copy and CD ROM catalogs upon request
- Seminars, open houses, newsletters.

#### H1. WARRANTY

The following are the minimum warranty services required by this contract. **Suppliers will provide a narrative describing their overall warranty service plan in the Statement of Work, Part 4, I4.**

- a. Supplier must honor all manufacturers' warranties and guarantees on all products offered through the State Computer Store. Supplier warrants that all machines purchased under this Agreement, when installed, be in good working order, will be fit for the manufacturer's intended purpose and will conform to the manufacturer's official published specifications provided that the service does not involve system integration or design. If the manufacturer offers an on-site warranty, those warranty services must be passed on to the users of this contract. If a manufacturer retains exclusive rights to repair equipment during the warranty period, the supplier must provide a letter from the manufacturer stating the service is available from the manufacturer through the supplier or the supplier's subcontractor. When requested, this letter must be provided within ten (10) working days.
- b. If the product manufacturer offers an extended warranty program (such as an "uplift" program) whereby customers may purchase an extended warranty at additional cost, this must be offered by the supplier to customers of this contract. The equipment tables in the Cost Section VII provide spaces to include this pricing as at a flat fee.
- c. Supplier must continue to provide warranty service after contract termination until expiration of warranties for products that have been sold under the contract.
- d. If the manufacturer warranty extends beyond the term of the contract, the supplier must agree to provide warranty services through the life of the warranty.

#### II. PRICING

- a. Unless changes are authorized by the State, price margins to the State as quoted shall be firm for the term of the contract.
- b. Supplier must propose pricing as a margin to the State over manufacturer or distributor cost. The same margin and pricing structure must be proposed for all products of the same manufacturer within a product category. The price (cost plus margin), will be the only amount paid to the supplier for products sold under this contract. Supplier should be cautioned, therefore, to incorporate all other associated costs (freight, etc.) into the margin. Contractor(s) must pass on to the State, any special promotional pricing or rebate programs if offered by the manufacturer or distributor.

- c. Supplier's system must be capable of electronically tracking prices, shipping, date shipped, order number and outstanding orders/back orders.
  - d. If supplier is offering customized client websites, in addition to the above stated requirements, they must be capable of tracking total dollars spent and quantities purchased.
3. Supplier agrees to work with the State to provide a means for State and other government entities to electronically transmit standardized business documents such as quotation requests, purchase orders, management of contract software, invoices, order status inquiries with integrity intact from system to system to supplier's purchasing and tracking systems.
  4. At a minimum, the electronic catalog and order tracking systems must communicate in or to the following platforms: Windows and Macintosh.
  5. The system(s) must accommodate two hundred (200) simultaneous users, at a minimum. The supplier must expand the system, at no additional charge, to accommodate the addition of new users throughout the term of the contract.

The following indicates the potential number of users of the State Computer Store contract. The figures include both entities that will require access to the electronic system(s) and those that do not have the desire and/or ability to access the system(s).

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- a. Supplier must honor all manufacturers' warranties and guarantees on all products offered through the State Computer Store. Supplier warrants that all machines purchased under this Agreement, when installed, be in good working order, will be fit for the manufacturer's intended purpose and will conform to the manufacturer's official published specifications provided that the service does not involve system integration or design. If the manufacturer offers an on-site warranty, those warranty services must be passed on to the users of this contract. If a manufacturer retains exclusive rights to repair equipment during the warranty period, the supplier must provide a letter from the manufacturer stating the service is available from the manufacturer through the supplier or the supplier's subcontractor. When requested, this letter must be provided within ten (10) working days.
- b. If the product manufacturer offers an extended warranty program (such as an "uplift" program) whereby customers may purchase an extended warranty at additional cost, this must be offered by the supplier to customers of this contract. The equipment tables in the Cost Section VII provide spaces to include this pricing as at a flat fee.
- c. Supplier must continue to provide warranty service after contract termination until expiration of warranties for products that have been sold under the contract.
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- b. Supplier must propose pricing as a margin to the State over manufacturer or distributor cost. The same margin and pricing structure must be proposed for all products of the same manufacturer within a product category. The price (cost plus margin), will be the only amount paid to the supplier for products sold under this contract. Supplier should be cautioned, therefore, to incorporate all other associated costs (freight, etc.) into the margin. Contractor(s) must pass on to the State, any special promotional pricing or rebate programs if offered by the manufacturer or distributor.

- c. The supplier will be required to maintain the margin, or a lower margin, for the term of the contract. Any new products being added under that manufacturer and category will use that margin percentage for calculating the State cost for the product. Additionally, any product or software manufacturer added during the term of the contract must propose a margin that is in line with the margins bid for any given table. As well, Evidence of Cost letters must also be provided at that time.
- d. The supplier must provide evidence of cost from the manufacturer or distributor whenever requested by the State, during the term of the contract. This information must be provided on manufacturer or distributor letterhead and contain a contact and telephone number.
- e. Should the supplier participate in any government, education, or special pricing program, the State reserves the right to utilize the pricing program for any institution, in lieu of prices quoted. Should the State exercise this option, the supplier must agree to work with the State to establish ordering procedures.
- f. Contractor quotes given to an ordering agency shall be held for a minimum of 10 state business days.

#### J1. ORDERING

The supplier will receive hard copies and fax copies of orders. Some State agencies will order products and services directly from the supplier using a Std. Form 65, Purchase Orders (Exhibit V-K) and referencing a quote number. Non-state agencies may use an equivalent order form also referencing the quote number. State of California and local agencies may also order using the "CAL-Card".

1. Within one working day after receipt of an order, the supplier must verify the accuracy of the order and provide a written notification of acceptance or rejection of the order to the ordering agency.
2. Orders may be canceled by ordering agency at any time prior to shipment without cost to the agency.
3. Supplier must agree to return orders from any agency which has had its ordering privileges suspended. A list of agencies receiving such suspension will be furnished to the supplier by the State Contract Administrator. When a supplier is notified of a suspended agency, the supplier must agree to not ship orders to any such agency.
4. "Product Obsolescence" This contract allows the refreshing of modelsoffered by manufacturers; however, should a product become obsolete the substitution of a discontinued/obsolete model (without a revision to the Purchase Order) will be allowed under the following conditions:
  - a. The replacement model is manufactured by the same manufacturer.
  - b. All specifications are equal or better.
  - c. The cost of the product is equal to or less thanthe discontinued model.

- d. The margin remains at the same margin for the original model ordered /
- e. The warranty is equal to or greater than the warranty for the original model.
- f. No third party internal system components, options or external peripherals are provided unless the system unit manufacturer provides the warranty for these items.
- g. The replacement model meets the in-use requirements.

Contractor shall notify the Ordering Agency of any substitutions at time of order confirmation. In the event that there is a change of manufacturer, configuration and/or warranty the customer should revise their purchase order.

Delivery order modifications will not be required. The invoice will reflect the actual product shipped, NOT the product ordered. To effect administrative savings, user agencies may make payments in accordance with this paragraph without requiring a delivery order modification. The following note must be included on the invoice:

"In accordance with the Product Obsolescence" paragraph in Contract No. \_\_\_\_\_ Contractor has substituted a product on this order. The substitution is the same or better technology at the same or lower price."

K1. ON-LINE ORDERING AND ELECTRONIC CATALOGS

1. If any on-line ordering method of submitting order forms is developed by the State, the Supplier agrees to develop their portion of an on-line ordering system to accommodate an interface. Use of an on-line ordering procedure and/or on-line catalog may be initiated upon approval by the ordering Agency. Upon award of a contract, on-line ordering forms are desired.
2. If a State Computer Store's customer agency has projected and committed that a high volume of purchasing from their agency will take place, the supplier must agree to establish a custom catalog at an agency's request. This enables an agency to order products from their own custom catalog on-line.



K1.a HARD COPY AND CD ROM CATALOGS

Supplier will be required to send out letters to state and local government agencies inquiring what type of catalog they like to utilize. The customer and potential customer agencies will have the option of an electronic, hard copy or CD ROM catalog free of charge. Hard copy and CD ROM catalogs will only be sent out upon request. As usage of the electronic catalog increases, the State sees the hard copy catalog being a subset of the electronic catalog. The Supplier agrees to work with the State's Contract Administrator to establish procedures.

1. If a Hard Copy or CD ROM catalog is requested, the supplier will be responsible for reproducing and distributing the catalog. The Contractor will be responsible for distributing catalogs to State and Local Agencies. If more than one supplier is awarded this contract, the suppliers will work with the State's Contract Administrator to determine these dates.
2. The hard copy catalog shall be a derivative of the on-line catalog specified in Requirement F1, with enhancements, such as advertisements.
3. Supplier shall be responsible for maintaining the catalog distribution list.
4. The cost of producing and distributing the catalog shall be borne by the supplier.

L1. DELIVERY

All deliveries shall be F.O.B. – DESTINATION.

1. The supplier must propose a delivery schedule not exceeding ten (10) State business days for all products and software, excluding supplies. The State will apply liquidated damages for late delivery unless the manufacturer has placed the product on constrained allocation. Ninety-seven (97) percent of all deliveries must be within the 10 state business days. Products placed on constrained allocation by the manufacturer are exempted from this requirement, however, the State expects the supplier to make its best effort to meet the 10-day delivery requirement.
2. The delivery response time for supplies must not exceed four (4) State business days after receipt of order. Supplier must notify the ordering agency if delivery of any order for supplies will be delayed beyond four (4) State business days. Ninety-seven (97) percent of all deliveries must be within the 4 state business days. Products placed on constrained allocation by the manufacturer are exempted from this requirement, however, the State expects the supplier to make its best effort to meet the 4-day delivery requirement. If supplies are ordered with products and/or software on one purchase order as identified above, then supplier will have ten (10) business days for delivery.
- 2.a. The delivery response time for all custom configured workstations must not exceed ninety (90) calendar days after receipt of order. Supplier must notify the ordering agency if delivery of any order which will be delayed beyond the ninety- (90) calendar days. Ninety-seven (97) percent of all deliveries for this product category must be within this time frame. Products placed on constrained allocation by the manufacturer are exempted from, this requirement, however, the State expects the supplier to make its best effort to meet the 90-day delivery requirement.

3. Supplier must notify the ordering agency if delivery of any order for equipment and software will be delayed beyond the delivery period specified above. Additionally, supplier must keep ordering agency updated of changes in delivery status of delayed orders on a weekly basis.
4. Supplier must deliver, free of charge, all products sold through the State Computer Store to the location identified on the order form.
5. Orders must be delivered in total, unless prior authorization for partial shipment of an order is received from the ordering agency. Partial shipment of an order does not prevent application of liquidated damages for failure to deliver the entire order within the contract time frames. *Additionally, a sing/e order shipped from mu/tip/e locations does not prevent application of liquidated damages for failure to deliver the entire order within the contract time frames.*
- 5a. *Requirement Deleted*
6. Inside deliveries shall be made when ~~requested by~~ the ordering agency.

MI. INVOICES AND PAYMENTS

1. Invoices for products and services must not be submitted until the ordering customer signs for receipt of the products and services.
2. Invoices must clearly state that payment is not due until after successful completion of the acceptance period. Payments will be due in accordance to the provisions of Government Code 927.
3. Invoices must clearly state any -additional government, education or special pricing discount offered by the supplier.
4. *Invoices* for less than the amount specified on' the Purchase Order will be accepted, without the issuance of a change order by the ordering agency, provided the contractor specified the reasoning, on the invoice, for the decreased price.

N1. RETURN RIGHTS

1. Supplier agrees to accept all products and supplies for return within 15 days of delivery and credit the customer in full. Products returned for credit must be in the original packaging and include all documentation. Software products which have been opened are excluded from the return requirement, except in cases where the cause for return is the fault of the supplier (i.e. supplier shipped wrong version of software product).
2. Suppliers shall propose restocking fees for products returned after fifteen days in Section VII, Cost.
3. In the *event* an agency requests to return a custom order, the supplier is not obligated to accept the return unless error is found to be the fault of the supplier. The supplier must agree to work with the Contract Administrator to establish this procedure.

01. REPORTING

1. By the fifteenth (15<sup>th</sup>) day of each month, supplier must provide to the State Contract Administrator, a report for adds, deletions and changes to the manufacturer item number in the price catalog, in an excel format, tab delimited, the following minimum fields:

Store	Product Description
Category	Product Cost
Manufacturer	State Product Price
Bid Category Mark-up	

2. By the fifteenth (15<sup>th</sup>) day of each month, supplier must deliver to the State, in excel format, tab delimited an electronic report containing a file of all supplier's invoices for orders placed during the previous month. Supplier must agree to work with the State Contract Administrator to establish the format of this file. Data elements must include, at a minimum, the following items:

- invoice number
- department billing code
- department order number
- total sales tax on invoice
- invoice date
- department identification'
- total of invoice without tax
- and for each product invoiced:
  - “ product description<sup>2</sup>
  - “ unit price
  - “ quantity

<sup>1</sup>If department name is not used, supplier must provide department name/id cross reference table

<sup>2</sup>If product name is not used, supplier must provide product name/number cross reference table

3. By the fifteenth (15<sup>th</sup>) day of each month in excel format, tab delimited an electronic report, or the next work day thereafter, supplier must deliver to the State, two management reports for the previous months activities. One report shall include the type, number and dollar sales of products for each ordering entity. The other report must include the dollar volume of sales by manufacturer within each category.
4. By the fifteenth (15<sup>th</sup>) day of each month, or the next work day thereafter, supplier must provide the State with a report in excel format, tab delimited an electronic report showing, for each ordering agency, all open orders containing one or more constrained items. Report must be sorted by order date and must indicate expected delivery date.
5. By the fifteenth (15<sup>th</sup>) day of each month, or the next workday thereafter, supplier must provide the State a report in excel format, tab delimited an electronic report showing, for each ordering agency, all open orders not containing constrained items by order date and delivery expectancy date.
6. By the fifteenth (15<sup>th</sup>) day of each month, or the next workday thereafter, supplier must provide the State a report in excel format, tab delimited showing the telephone tracking system. Report must indicate the number of calls received,

shall be sorted by longest time on hold for each call placed on hold, and indicate the number of disconnects. The supplier must agree to work with the State Contract Administrator to develop the exact information needed and the format for providing this information to the State Contract Administrator.

7. The State Contract Administrator may make changes to the form and format to the reports required in this section during the term of the contract to which the supplier must comply.
8. By the fifteenth (15<sup>th</sup>) workday of each month, the Store delivers to the State Contract Administrator two printed management reports in excel format, tab delimited for the previous month's activities. One report includes the type, number and dollar sales of products for each State Agency during the month. The other monthly report shows the quantity and dollar volume of sales organized by manufacturer within each category during the month.
9. The supplier may be required to provide ad hoc reports for the *Contract Administrator*.
10. By the fifteenth (15<sup>th</sup>) workday of each month, the Store delivers to the Contract Administrator 'a printed management report for the previous month's CAL-Card activities. This report must include the type, number and dollar sales of products for each State and Local Agency during the month.
11. **Requirement Deleted**
12. **By** the fifteenth (15<sup>th</sup>) workday of each month, the contractor must deliver to the State Contract's Administrator a printed management report for the previous month's activities for sales of services. This report must include the type of service, the number of hours and the amount of the services for each State and local agency during the month.
13. By the State's Fiscal Year End, the Contractor must deliver to the State's Contract Administrator a printed management summarized report detailing the previous fiscal years product and manufacturer sales activity.
14. By the tenth (10<sup>th</sup>) day of the month or the next workday thereafter, the Contractor must deliver to the State Contract Administrator a one page management summary report detailing the following:
  - total sales booked,
    - number of purchase orders received
  - total sales invoiced,
    - services invoiced,
    - site license software invoiced,
    - shrink wrap software invoiced,
  - number one (1) manufacturer,
  - number one (1) ordering entity,
  - outstanding accounting receivables over 60 days,
    - percentage of overall account receivables,
  - CAL Card orders,
  - Revenue by market segment;
    - state,
    - county,
    - city,
    - higher ed,
    - K-12,
    - public sector
  - number of customers.

PI. LIQUIDATED DAMAGES

a. General

The date for opening the State Store, delivery times for products, installation of equipment and submittal of product changes have all been fixed to be consistent with the timing schedules of the State's programs. Delays in any of the above, unless waived by the State or made inapplicable by operation of other paragraphs in this contract, will interfere with the proper implementation of the State's programs. From the nature of the case, it would be impracticable and extremely difficult to fix the actual damages sustained in the event of any such delays. The State and the Contractor, therefore, presume the following damage amounts:

If the overall monthly delivery performance level is at or above the minimum acceptable standard, which is 97% for all orders placed during the period, no liquidated damages shall be assessed. However, should the overall monthly delivery performance level fall below the minimum acceptable standard, all

orders shipped late shall be subject to the payment of liquidated damages at the rate of \$50 per day per order for each day of delay in delivery. Products which have been placed on constrained allocation by the manufacturer are not subject to liquidated damages.

\$50.00 per working day for each day of delay in providing the State with the product change information (adds, deletions and modifications).

\$500.00 per working day for each day of delay in opening the State Store.

\$10.00 per working day for each day of delay in providing the State with reports containing of all vendor's invoices for orders placed during the previous month.

\$10.00 per working day for each day of delay in providing the State with two management reports for the previous months activities. One report shall include the type, number and dollar sales of products for each order entity. The other report must include the dollar volume of sales by manufacturer within each category.

\$15.00 per working day for each day of delay in providing the State with a report showing, for each ordering agency, all open orders containing one or more constrained items. Report must be sorted by order date and must indicate expected delivery date.

\$15.00 per working day for each day of delay in providing the State with a report showing, for each ordering agency, all open orders not containing constrained items by order date and expected delivery date.

\$5.00 per working day for each day of delay in providing the State with telephone tracking system reports.

Should the State require the vendor to collect the DGS Management Fee, the State will base Liquidated Damages on the Pooled Money Investment Account (PMIA) rate. Liquidated Damages will be due for each working day of delay in remitting to the State the DGS Management fee, calculated as follows:

PMIA Rate (Annualized)	= 4.387%
Plus: 1%	= 1.000%
Adjusted Rate	= 5.387%

Based on the 5.387% adjusted rate and 365 calendar days per year, the 94-95 rate per day was .01476. The formula to change the percentage to a decimal and calculate the interest damage fee is as follows:

$.01476/100 \times \text{Amount Due} \times \text{Number of Days}$

The State updates the **PMIA** rate each year in August. Vendors will be notified of the rate for 2000-2001 when the rate has been established by Management Memo.

The State and the Contractor agree that in the event of any such delay, the Contractor shall pay such amounts as liquidated damages and not as a penalty. Amounts due the State as liquidated damages may be deducted by the State from any money payable to the Contractor. The State shall notify the Contractor in writing of any claim for liquidated damages pursuant to this paragraph on or before the date State deducts such sums from money payable to the Contractor.

b. Equipment Delivery or Installation Delays - Caused by the Contractor

1. If the Contractor does not deliver or install the equipment, listed on the Order Form, on or before the delivery or Installation Date(s) determined by the products on the Order Form, the Contractor shall be liable for fixed liquidated damages specified, in lieu of all other damages for such noninstallation. Liquidated damages shall accrue for each working day between the Delivery or Installation Date determined by the products on the Order Form and the date the equipment is certified ready for use or 60 working days, whichever occurs first.
2. If some, but not all of the machines are installed, ready for use, during a period of time when liquidated damages are applicable, and the State uses any such installed machines, liquidated damages shall not accrue against the machines used for any working day the machines are so, used.
3. If the delay in delivery or installation is more than fifteen (15) working days, then by written notice to the Contractor, the State may terminate the right of the Contractor to deliver and/or install and may obtain substitute equipment in accordance with the provision of Paragraph 26, "Rights and Remedies of State for Default". In this event, the Contractor shall be liable for liquidated damages, in the amounts specified above until substitute equipment is installed, ready for use, or for 60 working days from the installation date, whichever occurs first.

c. Installation or Delivery Delays Caused by the State

In the event the equipment cannot be installed or delivered because the State has requested, in writing, an extension of the installation or delivery date beyond the normal installation or delivery date set forth in this contract, the Contractor will not be liable for liquidated damages during the extension period. Contractor will be liable for liquidated damages for each day the equipment is not installed or delivered beyond the extension date.

QI. ACCEPTANCE TESTING FOR EQUIPMENT (INCLUDING OPERATING SOFTWARE)

- a. Acceptance testing is intended to ensure that the equipment acquired operates in substantial accord with the Manufacturer's technical specifications, is adequate to accomplish the tasks for which the equipment is purchased, and evidences a satisfactory level of performance reliability, prior to its acceptance by the State. If the equipment to be installed includes operating software, such operating software shall be present for the acceptance test. Additionally, acceptance testing is intended to ensure that Network designs developed by the

Contractor, using recommended products, and installed in accordance with the design, will meet the performance criteria set forth in the completed Network Planning Questionnaire or Guide.

Acceptance testing is required for all newly installed networks, operating as a network and individual devices, and UNIX workstations (if offered) acquired as the result of either the network planning questionnaire or guide, and subsequent design and configuration services. Unless waived in writing by the State, such testing is required prior to the acceptance of replacement and substitute machines, and machines which are added or field modified after a successful performance period.

R1. Requirement Deleted

S1. *REQUIREMENT DELETED*

TI. ACCEPTANCE TESTING  
A. General

This section sets forth specific procedures and performance criteria to implement the testing required. It is intended to ensure the hardware and software operate in substantial accord with the manufacturers published specifications, is adequate to accomplish the tasks for which the equipment is purchased, and evidences a satisfactory level of performance reliability, prior to acceptance by the State. Additionally, acceptance testing is intended to ensure that Network designs developed by the Contractor, using recommended products, and installed in accordance with the design, will meet the performance criteria set forth in the completed Network Planning Guide or as a result of the Network Planning Questionnaire.



No payments will be made for equipment or software undergoing acceptance testing until the standards of performance are met. immediately upon successful completion of the performance period, the State shall authorize payment.

*SENTENCE DELETED*

1. Immediately upon delivery of equipment by the Contractor, or upon written certification that the equipment has been installed by Contractor and ready for use, the State shall, within one working day put the equipment to full operational use for acceptance testing purposes.
2. Acceptance testing and the performance period shall commence on the first State workday following delivery and shall end when the equipment has met the standards of performance for a period of 30 calendar days. Operation of the equipment to confirm its installation shall be considered to be a part of the acceptance test.
3. The equipment shall maintain average availability of 97% or more during the acceptance period before it shall be deemed to have met the State's standard of performance for acceptance and shall be accepted by the State. The average level of availability is a percentage figure computed by dividing the total operational use time, after subtracting any equipment downtime during the acceptance period by the total operational time.

Equipment availability data must be based on at least 173 hours of use within a thirty day period. To qualify, each of the availability figures must equal or exceed 97%. Availability is calculated as follows:

$$\text{Percent Availability} = \frac{\text{UT} * 100}{\text{UT} + \text{DT}}$$

UT (Up Time) is defined as the time the machine is available to and staffed by the customer for productive work (i.e., the time the machine is processing customer programs or awaiting the processing of such programs.

DT (Down Time) is defined as the time the machine could have been processing customer programs but is undergoing preventive maintenance, being repaired or awaiting repairs or changes to its critical software. Time the vendor must wait for the machine to be released by the customer for repair is excluded

4. In the event the equipment does not meet the standards of performance during the initial 30 calendar days, the State shall have the option to return the equipment and receive a refund of any moneys paid to the vendor, require replacement equipment, terminate the order, or continue the performance tests. The State's option shall remain in effect until such time as a successful completion of the performance period is attained, or 60 consecutive working days from date of delivery or installation, whichever occurs first.